North of England has published a new 14-minute DVD designed to be used as the basis of short, sharp briefings immediately prior to liftboat drills at sea. 

Entitled Lifeflight Accidents – Managing the Risk, the DVD includes a short guidance booklet for officers. Leading the briefing so they understand the messages, the crew should think about to stay safe. The DVD highlights the potential problems of using on-lead liftboat hooks – refusing to move the hook if not being able to release the liftboat painter. These are simple control measures that, in addition to the basic SOLAS requirements, will hopefully reduce liftboat accidents that are still killing and seriously injuring seafarers.

Ships’ crew should bear in mind that the ship operator and relevant authorities including Flag State must be consulted for advice and any necessary approval on the fitting and use of fall-preventer devices. The latest poster in North of England’s Safe Work series is about liftboat safety, the poster which is entitled Safe Work, Liftboat Safety, illustrates the use of fall-preventer devices to protect the crew in the event of an inadvertent release of an on-lead hook.

The Association’s annual residential training course in P&I insurance and loss prevention will take place from Friday 13 June to Friday 19 June 2009 at Lumley Castle near Newcastle upon Tyne, UK.

The three part course provides:
• an introduction to ships and shipping, including a visit to ships at a local port (Saturday and Sunday)
• an introduction to marine insurance (Monday)
• a workshop-based in-depth look at P&I insurance and loss prevention (Tuesday to Friday).

Delegates can choose which part or parts they wish to attend, which makes the course suitable for people of varying backgrounds and experience. Demand for places on this very popular course is always high so Members are advised to register as soon as possible to avoid disappointment.

A course brochure is available to download from the Association’s website: www.nepia.co.uk/riskmanagement/lossprevention/education/training/ Members requiring further details of the course or to book a place should contact Andy’s Carton in the risk management department. Email: info@nepia.com

North of England’s loss-prevention pages have been improved as part of an overall revision of the Association’s website. These include an upgrade of the popular online Industry News service, which provides Members with information about current issues, changing legislation and any potential difficulties that may arise with equipment and materials. 

Industry News items are available using an RSS (really simple syndication) feed, enabling items to be delivered directly to Members’ own computers as soon as they are published.

A series of Loss Prevention Briefings is also available to download from the website to provide concise information about common topics of concern to Members. The briefings are in pdf format, and will be updated as current information changes.

There have been technical problems during the upgrade of the website which means that existing RSS subscribers may have to re-subscribe to continue receiving the service. The Association apologises for any inconvenience caused. Members can access Industry News from the link on the homepage of the Association’s website or directly from: www.nepia.com/publications/industrynews

Loss Prevention Briefings can be downloaded from the loss-prevention pages of the Association’s website or directly from: www.nepia.com/风险管理/lossprevention/publications/losspreventionbriefings/

The new Maritime Labour Convention adopted by the International Labour Organization is likely to enter force between 2010 and 2012. The convention contains minimum standards that are well within current industry practice and should easily be met by most ship owners. However, it contains many new certifications, inscriptions and record keeping requirements that ship owners should start their preparations for now.

See page 2 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The actions of Somali pirates in the Gulf of Aden continue to cause concern to ship operators, seafarers and the rest of the shipping industry. North of England will continue to provide up-to-date information via its Industry News service and a Loss Prevention Briefing that is updated as new information becomes available. Members should therefore visit the Association’s website regularly for the latest information.

Your copy of Signals
Copies of this issue of Signals should contain the following sources:
• DVD – Liftboat Safety – Managing the Risks (Members and entered ships only)
• Safe Work poster – Liftboat Safety (Members and entered ships only)
• Signals Exposure – Bolt and Brews (Members and entered ships only)

Your copy of Signals
Copies of this issue of Signals should contain the following sources:
• DVD – Liftboat Safety – Managing the Risks (Members and entered ships only)
• Safe Work poster – Liftboat Safety (Members and entered ships only)
• Signals Exposure – Bolt and Brews (Members and entered ships only)

North of England’s loss-prevention pages have been improved as part of an overall revision of the Association’s website. These include an upgrade of the popular online Industry News service, which provides Members with information about current issues, changing legislation and any potential difficulties that may arise with equipment and materials.

Industry News items are available using an RSS (really simple syndication) feed, enabling items to be delivered directly to Members’ own computers as soon as they are published.

A series of Loss Prevention Briefings is also available to download from the website to provide concise information about common topics of concern to Members. The briefings are in pdf format, and will be updated as current information changes.

There have been technical problems during the upgrade of the website which means that existing RSS subscribers may have to re-subscribe to continue receiving the service. The Association apologises for any inconvenience caused. Members can access Industry News from the link on the homepage of the Association’s website or directly from: www.nepia.com/publications/industrynews

Loss Prevention Briefings can be downloaded from the loss-prevention pages of the Association’s website or directly from: www.nepia.com/风险管理/lossprevention/publications/losspreventionbriefings/

The new Maritime Labour Convention adopted by the International Labour Organization is likely to enter force between 2010 and 2012. The convention contains minimum standards that are well within current industry practice and should easily be met by most ship owners. However, it contains many new certifications, inscriptions and record keeping requirements that ship owners should start their preparations for now.

See page 2 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The actions of Somali pirates in the Gulf of Aden continue to cause concern to ship operators, seafarers and the rest of the shipping industry. North of England will continue to provide up-to-date information via its Industry News service and a Loss Prevention Briefing that is updated as new information becomes available. Members should therefore visit the Association’s website regularly for the latest information.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.

The increasing threat of piracy in the Gulf of Aden has also highlighted issues relating to the voyage instruction given by charterers. An article in this issue considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf of Aden.

See page 6 for full story.
Maritime Labour Convention – the need to plan now

As many Members are aware, the Association operates enhanced pre-employment medical schemes for seafarers, being employed in the Philippines and Ukrainian.

The scheme in the Philippines was started in 2002 and recommended the use of two clinics in Manila for the Association to arrange enhanced pre-employment medical exams of seafarers. In 2006 further clinics were added to the scheme. The Association is pleased to advise that after another successful year, there has been a significant increase in participation in the scheme.

Five clinics are currently recommended:

- Haysian Marine Healthcare Services,
- Maritime Clinic for International Services Inc (MCIS),
- Maritime Medical and Laboratory Services (MMBI),
- SM Losa Medical Clinic Inc,
- Supercare Medical Services Inc.

Some of the doctors in the recommended clinics have UK Maritime and Port Authority (MCA) accreditation for shipping companies sourcing crew for British-registered vessels.

The first anniversary of the Association’s enhanced pre-employment medical scheme in Osogbo, Ukraine, has just passed. This has proven to be a success and three clinics will be on the Association’s recommended list for the period until October 2009.

North of England would be grateful if Members currently participating in the scheme in Osogbo would consider the need for the MCA in Osogbo to bring medical advice to forefront when it comes to an organisng an emergency medical evacuation. This article seeks to highlight the need to employ ‘medico’ as they are known, as their terms and conditions, is subject to detailed inspection and to ensure that all participants are kept up to speed on any developments.

Further to the most recent article on the hazards associated with enclosed-space entry in issue 77 of Signals – and the recent publication of a Safe Work poster about the subject – the Association continues to see serious and sometimes fatal accidents involving crew members entering cargo holds that have an atmosphere which has been rendered hazardous by the cargo being carried.

Quite commonly crew members are unaware of cargo characteristics that alter the nature of the hold atmosphere after loading. For this reason it is imperative that owners and masters insist on the shipper providing cargo documentation in keeping with the requirements of the International Convention for the Safety of Life at Sea (SOLAS), chapter V, regulation 2 – cargo information.

Information in advance of loading

Significantly, the information must be provided sufficiently in advance of loading to enable the crew to take precautions which may be necessary, such as proper stowage and safe carriage to be put into effect. Part two of this regulation identifies the nature of cargo information to be provided in advance of loading and the information on the chemical properties of cargo that is not classified in accordance with the International Maritime Dangerous Goods (IMDG) Code.

As a result of the requirements of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) hazardous-cargo endorsements, crew members are not expected to have detailed prior knowledge of every hazardous cargo the ship will be exposed to, but are expected to have the necessary training, based on the cargo information that is provided. Loading operations should be avoided in the event that the crew has not received this information prior to the commencement of the voyage.

As a result of the requirements of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) hazardous-cargo endorsements, crew members are not expected to have detailed prior knowledge of every hazardous cargo the ship will be exposed to, but are expected to have the necessary training, based on the cargo information that is provided. Loading operations should be avoided in the event that the crew has not received this information prior to the commencement of the voyage.
In the last issue of Signals a scene was set for a dilemma faced by the master of a handy-sized bulk carrier at anchor. How he handled the situation is described in an imaginary UK port. The forecast was for winds between force 7 and severe gale 9. Having written his night orders the master returned to his cabin in the dark, pondered his options. We asked you to apply your seamanship knowledge to this problem and consider what you would do in the same situation. This problem is typical of those facing professional seafarers on a daily basis. On paper it might appear that there is little information to process and no simple and not really a problem – but that is where professional training makes the difference. There is a lot more than first appears in the information about the anchor situation in the case study.

**Holding ground**

The best design of modern anchor can provide a holding power of up to 12 times its own weight, but where the ground holding is very poor, such as clay or really heavy mud. The chart shows the nature of the sea bed to be shingle and shiells which is not good holding ground. It is quite possible that the holding power of the best anchor here may be as little as six times its own weight, so it would be reasonable to assume that any anchor might not be fully effective in such conditions.

A ship at anchor in strong wind tends to yaw around the anchor or anchors, and once this happens the uneven forces on the anchor cable can increase the likelihood of dragging. When trying to heave in the anchor, this may also cause problems with the seabed.

**Ballast condition**

The ship had been de-ballasted to a minimum of 50% propeller immersion. In this condition it is highly likely that any rapid deterioration in the weather and sea state would mean the propeller was frequently lifting clear of the sea making it difficult for the ship to reach or maintain stowage way and quite possibly it could cause the engine to over-speed and shut down.

Attempting to re-fill the ballast tanks under these conditions could also be dangerous. Correct ballast is a safety issue which should not be influenced by commercial pressures, personnel or real. Ballast affects manoeuvrability characteristics and, over the life of the ship, good ballast management will resist forces which weaken the structure.

The stability booklet may stipulate a minimum forward draft to maintain a safe bow height and avoid water slamming forward. This safety requirement might get overlooked in de-ballasting purely for propeller immersion.

**Weather forecast**

All mariners know that a weather forecast only matches the holding power of one anchor in very difficult conditions. The stabiltiy booklet may also stipulate a minimum forward draft to maintain a safe bow height and avoid water slamming forward. This safety requirement might get overlooked in de-ballasting purely for propeller immersion.

**Holding power**

Alan mariners know that a weather forecast only matches the holding power of one anchor in very difficult conditions. The stabiltiy booklet may also stipulate a minimum forward draft to maintain a safe bow height and avoid water slamming forward. This safety requirement might get overlooked in de-ballasting purely for propeller immersion.
A Commercial Court case in London in June last year offered a rare opportunity for legal consideration of nominations of lay can and vessels under contracts of affreightment (COA). The COA in P v A and O (2008) provided for six cargoes of iron ore or coal of 70,000 tonnes each, plus or minus 10% of the cargo option depending on the charterer’s choice of load port: Quebec in Canada for iron ore or Baltimore in the USA for coal. The charterparty was for a period of 60,000 tonnes at the COA freight rate. The owner maintained his position that this was not acceptable, especially given the freight market had fallen substantially above the COA rate.

In its reply, the charterer’s claim was entitled to move the lay can dates, since the owner had not yet nominated a vessel. The owner maintained that the charterer had exceeded its charterer’s right to make an appointment on 5th October and had failed to move the lay can under the fifth voyage in place of the fourth voyage, despite having irrevocably nominated the lay can.

The court found in the owner’s favour. The court agreed with the majority arbitrators that the owner’s initial nominations amounted to a repudiation of the COA, which created a new contract.

The charterer argued that the lay can dates only became irrevocable once the owner had nominated the vessel, and thus this had been confirmed by the charterer. Alternatively, the charterer claimed that its subsequent message of 20th September merely extended the cancelling date; in effect, it was implicitly indicating its intention not to exercise its option to cancel until 30th October (if at all) rather than 14th October.

The judge rejected the charterer’s submission as unmeritorious, in the light of the arbitrators’ findings, the charterer’s messages were saying it: • would have no cargo to load on 5th October • was entitled to move the lay can unilaterally • would substitute a different, non-controversial voyage in place of the fifth voyage.

Clear lesson
The importance of this decision is twofold:
• It confirms that a charterer has no right to move the lay can. A lay can notice necessarily identifies both the lay can port and (under this COA) the type of vessel.
• It rejects the argument that the need to ‘confirm’ an owner’s nominated vessel gives a charterer a right to reject a vessel which met the COA’s requirements.

The lesson is clear. The nomination of a lay can or a vessel has the effect of writing those particulars into the charterparty or COA.

The recent downturn in the shipping markets and the world economy as a whole has unfortunately led to some charterers going out of business. One consequence is that a number of bunker suppliers, who contracted with these charterers to supply fuel to time-chartered ships, have been left unpaid — and they are now turning their attention to the modern floating oil terminals and, in particular, the floating production storage and offloading (FPSO) facilities. Even though the obligation to provide and pay for fuel under a time-charterer rests with the charterers, and that the owner is not a party to the bunker supply contract, owners and their ships are vulnerable to action in some jurisdictions. A notable example is the M/T Shell Assured 1, which is under charter to an entity that, in response to a deficiency, may have a lien over the ship itself and therefore the ability to take action against the owner to recover the charterer’s debt.

Some charters are, notably the NYFE form, contain a provision prohibiting charterers from creating or allowing to be created any lien over the vessel. Unfortunately, the more extensive the existence of the charterer’s part in such a provision is not in itself sufficient to protect an owner against any lien the supplier may have. The provision will only be effective where it has been expressly drawn to the attention of the supplier of goods or services to the ship before the supply actually takes place.

Availing suppliers’ liens

In the 20th Hill Harman rate, Lord Bingham stated any orders of employment are subject to ‘safety considerations.’ Lord Hohbush, putting the matter slightly differently, stated owners are not obliged to comply with orders which expose vessels to a risk that the owners have not agreed to bear. The relevant question must be whether the risk has materially changed since the conclusion of the charterparty.

Accordingly, an owner who has fixed on an NYFE 1946 or Shelltime 4 form since the increased risk of piracy has not been agreed to be probable will be required to obey an order to proceed under the COA in force.

By physical discharge is “X”. Discharge cannot commence until I have been satisfied by you that the cargo is received. Discharge cannot commence until I have been satisfied by you that the cargo is received.

If a Member delivers a cargo without production of the issuer in accordance with paragraph 3 of the letter. (c) the Member now requires to be secured by the original demanding party. The clause or agreement is blank.

The letter of indemnity, which is signed by the Master and the owner, is attached on the back of the receipt. The letter of indemnity is submitted by suppliers with a stamp. Recommended regard should contact the Association’s FD department at the time of fixing in order to identify and direct. 

The case involved an appeal by the charterer against the charterer’s decision to name a vessel. The case involved an appeal by the charterer against the charterer’s decision to name a vessel.

Nominations under contracts of affreightment clauses

A few years ago, the Gulf of Aden was a peaceful place. Now it is not. As a result, the Gulf of Aden has become one of the most important areas of the world for shipping. The Gulf of Aden piracy, which the owners have not agreed to bear, is well publicised, but has nevertheless agreed to take the risk of piracy in the Gulf of Aden.

The Gulf of Aden is one of the world’s busiest shipping lanes, and there are risks associated with piracy. The owners of the said vessel, and said charterers, and none of the risks which it covers would extend to the members of the said vessel.

The owners are advised to contact the Association’s FD department at the time of fixing in order to identify and direct. If anyone on the said vessel, and that accordingly any such vessel, furnished by the owner to the said vessel will be furnished safely upon the credit of Messrs ………….. as charterers, and not on the credit of the ship or owners or as their owners.

The Owners are advised to contact the Association’s FD department at the time of fixing in order to identify and direct. 

The Gulf of Aden piracy charter party clauses

The increasing threat in the Gulf of Aden, and off the Indian Ocean coastline of Somalia, has highlighted issues in bunker supply contracts given by charterers. This article considers whether owners are entitled to refuse charterers’ instructions to proceed via the Gulf when fixed on New York Exchange (NYFE) or Shelltime 4 forms. Both the NYFE 46 and the Shelltime 4 forms contain a “safe-port” clause which may be circumstances in which a port may be unsafe because the route to it is unsafe. It would be nonsense to say all ports normally reached via the Gulf of Aden were safe.

A vessel is not out of service for bunkers required solely upon the credit of Messrs ………….. for their use in connection with the charterers of the said vessel.

Members are advised to contact the Association’s FD department at the time of fixing in order to discuss possible clauses for insertion in charterparty contracts.

Identifying the delivery party
The opening paragraph of standard form letters 1A, 1B, 3A and 3B on the issue of letters of indemnity may be reduced if the Member is reduced to the original demand party before making a demand on the issuer.

Further guidance on using letters of indemnity is provided in the fifth voyage of the COA. The entity is named in the letter of indemnity, there is the risk that the Member is assuming the burden of the risk-management department.

Another reason is that the obligations placed under Clause 3 of standard form letters 1A, 1B, 3A and 3B on the issue of letters of indemnity may be reduced if the Member is reduced to the original demand party before making a demand on the issuer.

The goods and/or services being hereby acknowledged, received for and/or ordered are being accepted and/or ordered solely for the account of charterers of the cargo of the S/M/S ………….. and not for the account of said vessel or her owner. Accordingly, no lien or other claim against said vessel can arise therefore.

The Association is designed to place the burden of identifying the party to whom physical discharge is “X”. Discharge cannot commence until I have been satisfied by you that the cargo is received.
In recent times it has become increasingly common for many charterers to have ships employed by them vetted for quality and suitability by Rightship. Indeed for many, having an ‘acceptable’ Rightship rating is effectively a pre-requisite to their ability to trade a ship.

• Does a charterer have the right to insist that an inspection by Rightship is carried out by the owner?
• What responsibility, if any, does the owner bear if the ship was not vetted?

The court therefore held that in the absence of a specific provision, there was no obligation on the owner either to provide Rightship approval, nor to maintain such approval if it was later obtained. Furthermore, any failure to provide such approval would not in itself amount to a breach of contract by the owner.

Charterers can insist on inspections

The court nevertheless held that the charterer did have a right to require that Rightship inspections be allowed. As Rightship approval is now available in many trades, the court held that such a request is an effective pre-requisite to their ability to trade a ship.

8 LEGAL CARGO

with regard to a Rightship approval, a charterer can have a right to require that Rightship inspections be allowed. As Rightship approval is now necessary in some trades, the court held that such a request is an effectively a pre-requisite to their ability to trade a ship.

Charterers can insist on inspections

The court therefore held that in the absence of a specific provision, there was no obligation on the owner either to provide Rightship approval, nor to maintain such approval if it was later obtained. Furthermore, any failure to provide such approval would not in itself amount to a breach of contract by the owner.

Charterers can insist on inspections

The court nevertheless held that the charterer did have a right to require that Rightship inspections be allowed. As Rightship approval is now available in many trades, the court held that such a request is an effective pre-requisite to their ability to trade a ship.

8 LEGAL CARGO

with regard to a Rightship approval, a charterer can have a right to require that Rightship inspections be allowed. As Rightship approval is now necessary in some trades, the court held that such a request is an effectively a pre-requisite to their ability to trade a ship.

Charterers can insist on inspections

The court nevertheless held that the charterer did have a right to require that Rightship inspections be allowed. As Rightship approval is now available in many trades, the court held that such a request is an effective pre-requisite to their ability to trade a ship.

8 LEGAL CARGO

with regard to a Rightship approval, a charterer can have a right to require that Rightship inspections be allowed. As Rightship approval is now necessary in some trades, the court held that such a request is an effectively a pre-requisite to their ability to trade a ship.

Charterers can insist on inspections

The court nevertheless held that the charterer did have a right to require that Rightship inspections be allowed. As Rightship approval is now available in many trades, the court held that such a request is an effective pre-requisite to their ability to trade a ship.
Loss-prevention seminars in 2008

Loss-prevention seminars specifically arranged for Members in their own offices have continued throughout 2008. Staff from North of England’s loss-prevention department, with much support from throughout the Club, visited about 100 Members around the UK and Ireland during the year. In addition, presentations and workshops on a wide variety of topics. A good number of these seminars also involved officers and crew members from Members’ ships, creating a very useful exchange of information and ideas.

Annual seminar in Greece

An audience of almost 600 attended the Piraeus Marine Club on the evening of 16 October for the annual Greek office seminar. As previous years, the programme included a number of short presentations on topical P&I and F&O issues, including aspects of claims handling and loss prevention. The manage of the Association’s Greek office, Tony Allen, spoke on draught surveys and how the defence of any bulk cargo shortage claim will invariably refer to a draught survey to determine the extent of shortage and subsequent value of the claim. Deputy manager Helen Yasemides then talked about damages for late redelivery and the impact of the Achilleas decision. The talks were concluded by risk-management executive Andrew Kishman, who put forward some suggestions on managing the risk of filmal launches.

Loss-prevention seminar in Croatia

A ship faced by shipsowners today was the theme of the Association’s conference held in the picturesque island of Krk, just outside Zagreb, in October 2008. The event was co-hosted by Croatian Insurance and North of England, and was attended by Andrew Glen and Brinda Ward from the Club. Presentations were wide-ranging and included bridge-team management, lifeboat safety and developments in CREational-injury law. The majority of shipowners and managers operating in Croatia today were represented.

Support for Universities

The Association is interested to receive feedback about Signals and other loss-prevention publications and seminars. Members are very welcome to contact the Association if there are any topics that they or their seafarers would like to be covered in future issues of Signals, any ways in which the loss- prevention service can be improved, or if there is any information that has been particularly useful.

A feedback form is provided on the back of the Association’s website: www.niprim.com/riskmanagement/lossprevention/publications/

Feasibility Form

The feedback form can also be downloaded from the loss-prevention pages on the Association’s website: www.niprim.com/riskmanagement/lossprevention/publications/

Contacting North of England after office hours

Although many of the Association’s staff have Blackberry’s to send and receive emails after office hours, these may not be monitored regularly. Members with an urgent query or need for assistance after hours should always telephone an appropriate member of staff to ensure that their needs are met.

During weekends and UK public holidays, Members may contact the Association’s emergency line – +44 191 232 0989. Calls will be taken by a duty officer who will ensure that an available member of staff is briefed to respond.

Full details of after hours contact numbers are available on the Association’s website: www.niprim.com/contactus/after-hours/

Andy Glen with Ayreem Ozdogan (right) recipient of the Association’s MSc programme scholarship at Newcastle University.

Tony Baker and Dr Simone Lamont-Black with Andriy Cebula from Northumbria University.

Pacific Basin Shipping Assn, deluxe, Chile.